

1 Christopher Celentino (State Bar No. 131688)
2 Yosina M. Lissebeck (State Bar No. 201654)
3 Christopher B. Ghio (State Bar No. 259094)
DINSMORE & SHOHL LLP
4 655 West Broadway, Ste 800
5 San Diego, CA 92101
6 Telephone: 619.400.0500
7 Facsimile: 619.400.0501
christopher.celentino@dinsmore.com
yosina.lissebeck@dinsmore.com
christopher.ghio@dinsmore.com

8 Tyler Powell (Ky. Bar No. 90520 – Admitted pro hac vice)
DINSMORE & SHOHL LLP
9 100 West Main Street, Ste 900
Lexington, KY 40507
10 Telephone: 859-425-1056
11 Facsimile: 859-425-1099
tyler.powell@dinsmore.com

12 Special Counsel to Richard A. Marshack,
13 Trustee of the LPG Liquidating Trust

14 **UNITED STATES BANKRUPTCY COURT**

15 **CENTRAL DISTRICT OF CALIFORNIA - SANTA ANA DIVISION**

16 In re: Case No.: 8:23-bk-10571-SC
17 The Litigation Practice Group, P.C., Adv. Proc. No.:
18 Debtor.

19 Richard A. Marshack, Trustee of the LPG Case No.: 8:23-bk-10571-SC
20 Liquidating Trust,

21 Plaintiff,

22 v.

23 Arash Asante Bayrooti, a California resident; Arsha Case No.: 8:23-bk-10571-SC
24 Corp., a California corporation; and ABR Pursuant to 11 U.S.C.
Enterprises, LLC fka Leap Forward, LLC, a Nevada §§ 548(a)(1), 550, AND 551
25 limited liability company,

26 Defendants.

27 **COMPLAINT FOR:**

28 **(1) AVOIDANCE, RECOVERY, AND
PRESERVATION OF FRAUDULENT
TRANSFER(S) PURSUANT TO 11 U.S.C.
§§ 548(a)(1), 550, AND 551**

**(2) AVOIDANCE, RECOVERY, AND
PRESERVATION OF FRAUDULENT
TRANSFER(S) PURSUANT TO 11 U.S.C.
§§ 548(a)(2), 550, AND 551 AND**

**(3) AVOIDANCE, PRESERVATION,
AND RECOVERY OF ACTUAL
FRAUDULENT TRANSFER(S) 11 U.S.C.
§§ 544, 550, 551; CAL. CIV. CODE §§
3439.04(a)(1) AND 3439.07 AND**

(4) AVOIDANCE, PRESERVATION,

1
2
3
4
5
**AND RECOVERY OF CONSTRUCTIVE
FRAUDULENT TRANSFER(S)
PURSUANT TO 11 U.S.C. §§ 544, 550,
551; CAL. CIV. CODE §§ 3439.04(a)(2),
3439.05, AND 3439.07**

6 Honorable Scott C. Clarkson
7 Dept. 5C
8
9

10 For his *Complaint for (1) Avoidance, Recovery, and Preservation of Transfers Made With*
11 *Intent to Defraud Pursuant to 11 U.S.C. §§ 548(a)(1)(B), 550, and 551; (2) Avoidance, Preservation,*
12 *and Recovery of Constructively Fraudulent Two-Year Transfers Pursuant to 11 U.S.C. §§*
13 *548(a)(1)(B), 550 & 551; (3) Avoidance, Preservation, and Recovery of Transfers Within Four Years*
14 *Pursuant to 11 U.S.C. §§ 544, 550, 551; Cal. Civ. Code §§ 3439.04(a)(2), 3439.05 and 3439.07; and*
15 *(4) Avoidance, Recovery, and Preservation of Transfers Made Within Four Years Pursuant to 11*
16 *U.S.C. §§ 544(b), 550, and 551; Cal. Civ. Code §§ 3439.05, and 3439.07* (the “Complaint”), plaintiff
17 Richard A. Marshack, the Chapter 11 Trustee (the “Trustee” or “Plaintiff”) for the bankruptcy estate
18 (the “Estate”) of debtor The Litigation Practice Group P.C. (the “Debtor” or “LPG”) in the above-
19 captioned bankruptcy case (the "Bankruptcy Case"), alleges and avers as follows:

20 **STATEMENT OF JURISDICTION, NATURE OF PROCEEDING, AND VENUE**

21 1. This Court has jurisdiction over this action pursuant to 28 U.S.C. §§ 157(b)(2)(A),
22 (E), (H) and (O), 1334(b), and General Order No. 13-05 of the District Court for the Central District
23 of California because this is a core proceeding arising in and/or related to the Bankruptcy Case,
24 which is a case under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”), and
25 which is pending in the United States Bankruptcy Court for the Central District of California, Santa
26 Ana Division (the “Court”).

27 2. Regardless of whether this proceeding is core, non-core, or otherwise, the Plaintiff
28 consents to the entry of a final order and judgment by the Bankruptcy Court.

29 3. Defendants are hereby notified that Rule 7008 of the Federal Rules of Bankruptcy
30 Procedure requires them to plead whether consent is given to the entry of a final order and judgment
31 by the bankruptcy court.

32 ///

4. Venue of this adversary proceeding properly lies in this judicial district pursuant to 28 U.S.C. § 1409(a) because this proceeding is related to the Debtor's pending Bankruptcy Case.

THE PARTIES

5. Debtor LPG is, and at all material times was, a professional corporation organized, existing, and in good standing under the laws of the State of California, with its principal place of business in Tustin, California.

6. Defendant Arash Asante Bayrooti (“Mr. Bayrooti”) is, and at all material times was, an individual resident of the state of California subject to service of process via first class mail postage prepaid at 23 Costa Del Sol, Dana Point, CA 92629-4039.

7. Defendant Arsha, Corp. ("Arsha") is, and at all material times was, a California corporation subject to service of process via first class mail postage prepaid care of its registered agent, Mr. Bavrooti at 1630 Sunkist Street, G Anaheim CA 92806.

8. Defendant ABR Enterprises, LLC fka Leap Forward, LLC (“ABR”) is currently a dissolved Nevada limited liability company that is subject to service of process via first class mail postage prepaid care of its registered agent, Mr. Bayrooti at 23 Costa Del Sol, Dana Point, CA 92629 and at 20 Meadowhawk Lane, Las Vegas, NV 89135 which is the address registered with the Nevada Secretary of State.

GENERAL ALLEGATIONS

A. The Bankruptcy Case

9. On March 20, 2023 (“Petition Date”), Debtor filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code, commencing the Bankruptcy Case.

10. The Office of the United States Trustee (“UST”) filed its *Motion by United States Trustee to Dismiss or Convert Case Pursuant to 11 U.S.C. § 1112(b)* [Bankr. Docket No. 21] and creditors Debt Validation Fund II, LLC; MC DVI Fund 1, LLC; and MC DVI Fund 2, LLC filed the *Motion by DVF and MC DVI to Dismiss Chapter 11 Case Pursuant to 11 U.S.C. §§ 105, 305, 349, & 1112, or in the Alternative Convert This Case to Chapter 7 or Appoint a Trustee* [Bankr. Docket No. 44]. On May 4, 2023, the Court entered its *Order Directing United States Trustee to Appoint Chapter 11 Trustee* [Bankr. Docket No. 58].

1 11. Pursuant to the *Acceptance of Appointment as Chapter 11 Trustee* [Bankr. Docket No.
2 63], on May 8, 2023, Trustee accepted his appointment as the Chapter 11 Trustee in the Bankruptcy
3 Case. The Court approved the Trustee's appointment in its *Order Approving the U.S. Trustee's*
4 *Application for the Appointment of a Chapter 11 Trustee* [Docket No. 65].

5 12. Trustee was not appointed until after events of the case and, therefore, bases these
6 allegations on information and belief. *Soo Park v. Thompson*, 851 F.3d 910, 928 (9th Cir.
7 2017) (“The *Twombly* plausibility standard . . . does not prevent a plaintiff from pleading facts alleged
8 upon information and belief where the facts are peculiarly within the possession and control of the
9 defendant or where the belief is based on factual information that makes the inference of culpability
10 plausible.”); *Miller v. City of Los Angeles*, 2014 U.S. Dist. LEXIS 198871, 2014 WL 12610195, at
11 *5 (C.D. Cal. Aug. 7, 2014) (recognizing that the plaintiff’s “information and belief” pleading was
12 allowed and “necessary at times”); *see also Mireskandari v. Daily Mail and General Trust PLC*, 2013
13 U.S. Dist. LEXIS 194437, 2013 WL 12129642, at *4 (C.D. Cal. July 31, 2013) (“The Federal Rules
14 of Civil Procedure allow parties to plead facts on ‘information and belief’ if the facts ‘will likely have
15 evidentiary support after a reasonable opportunity for further investigation or discovery.’” (citations
16 omitted)).

17 13. Pursuant to the *Order Confirming Modified First Amended Joint Chapter 11 Plan of*
18 *Liquidation* entered September 9, 2024, and the *Notice of Occurrence of Effective Date of Modified*
19 *First Amended Joint Chapter 11 Plan of Liquidation* filed September 24, 2024, Richard A. Marshack
20 became the Liquidating Trustee of the LPG Liquidation Trust, effective September 24, 2024. [Bankr.
21 Docket Nos. 1646 & 1762].

22 14. All claims have been transferred to the Liquidating Trust pursuant to the confirmed
23 plan and Plaintiff brings this action solely in his capacity as the Trustee of the LPG Liquidation Trust,
24 for the benefit of Debtor's Estate and its creditors.

25 **B. Protective Order**

26 15. On or about May 2, 2024, Plaintiff filed that certain Notice and Motion for Entry of
27 Protective Order (the “Protective Order”).

28 ///

1 16. On June 3, 2024, the Court entered its *Order Granting Motion for Entry of Protective*
2 *Order and the Protective Order* [Bankr. Docket No. 1270] (the “Protective Order”). A true and
3 accurate copy of the Protective Order is attached as **Exhibit 1**, and incorporated herein.

4 17. By its own terms, the Protective Order applies to this adversary proceeding and
5 governs all discovery conducted herein.

6 **C. LPG’s Ownership and Management**

7 18. Prior to the Petition Date, LPG operated a law firm for consumers across the country
8 who sought assistance in contesting or resolving debts they would identify. At all relevant times, LPG
9 was controlled and operated by the individual named Tony Diab (“Diab”).

10 19. The consumers would pay LPG over a period of time via monthly debits from their
11 bank accounts.

12 20. The monthly payments were meant to cover all legal services LPG provided to the
13 consumers including validation of the debts, review of documents to determine enforceability, and
14 court appearances to halt lawsuits to obtain judgments.

15 21. In certain instances, LPG would file a lawsuit in an effort to eliminate a disputed debt
16 or to prosecute affirmative claims held by the consumers.

17 22. LPG mismanaged the consumers’ monthly payments.

18 23. Diab and others devised a plan to fraudulently transfer funds, client files, client funds
19 and assets in the form of ACH Receivables (the “ACH Receivables” or “Accounts Receivable”) out
20 of LPG to third parties prior to the filing of bankruptcy.

21 24. To obtain consumer clients, LPG contracted with marketing companies, who
22 engaged in illegal capping or client recruitment and would advertise or call to solicit consumers to
23 become clients of LPG in exchange for a percentage of the ACH Receivables collected by LPG from
24 the consumers. The marketing affiliate went so far as to assist with the execution of an engagement
25 letter between the consumer and LPG.

26 25. In exchange, LPG agreed to pay the marketing affiliates a percentage the monthly
27 payments collected by LPG from the consumers.

28 ///

1 26. Because LPG received payments from consumers over time, it often sought financing
2 by borrowing against its future cash flows. This borrowing was not only used to finance operations
3 at LPG, but also to pay the fees owed to the marketing companies for providing the client referrals.

4 27. Many of the documents executed in connection with such financing described the
5 transactions as accounts receivable purchase agreements.

6 28. Diab used entities he controlled including, without limitation, Vulcan Consulting, LLC
7 (“Vulcan”) and B.A.T., Inc. dba Coast Processing (“Coast”) to process payments from LPG consumer
8 clients and to divert LPG consumer funds and ACH Receivables. Diab would use numerous ACH
9 processing companies in order to easily transfer millions of dollars from Debtor to these entities he
10 controlled, without oversight or detection, and to avoid payment disputes and complications. The
11 money that flowed from Debtor through these bank account to Defendants consisted of Client Funds
12 that Debtor funneled to these entities by means of the ACH processing companies. Debtor also made
13 deposits into these entities bank account such that they received Client Funds directly from Debtor in
14 addition to direct Accounts Receivables.

15 **D. Ponzi Scheme Presumption**

16 29. The Ponzi Scheme Presumption exists in bankruptcy proceedings.

17 30. The Ponzi Scheme Presumption can be utilized to establish a debtor’s “intent to
18 defraud future undertakers [investors] from the mere fact that a debtor was running a Ponzi scheme.
19 Indeed, no other reasonable inference is possible. A Ponzi scheme cannot work forever. The investor
20 pool is a limited resource and will eventually run dry. The perpetrator must know that the scheme will
21 eventually collapse as a result of the inability to attract new investors. The perpetrator nevertheless
22 makes payments to present investors, which, by definition, are meant to attract new investors. He
23 must know all along, from the very nature of his activities, that investors at the end of the line will
24 lose their money. Knowledge to a substantial certainty constitutes intent in the eyes of the law,” *cf.*
25 *Restatement (Second) of Torts* § 8A (1963 & 1964), and a debtor’s knowledge that future investors
26 will not be paid is sufficient to establish his actual intent to defraud them. *Kirkland v. Rund (In re*
27 *EPD Inv. Co., LLC)*, 114 F.4th 1148, 1153 (9th Cir. 2024) (by definition Ponzi scheme is destined to
28 fail and the swindler and their entities often end in bankruptcy or equitable receivership); *Cf. Coleman*

1 *Am. Moving Servs., Inc. v. First Nat'l Bank & Trust Co. (In re American Properties, Inc.)* 14 B.R.
2 637, 643 (Bankr. D. Kan. 1981) (intentionally carrying out a transaction with full knowledge that its
3 effect will be detrimental to creditors is sufficient for actual intent to hinder, delay or defraud within
4 the meaning of § 548(a)(1)).” *Merrill v. Abbott (In re Independent Clearing House Co.)* (D. Utah
5 1987) 77 B.R. 843, 860. A trustee in bankruptcy is not required to show that an operator of a Ponzi
6 scheme was subjectively aware his Ponzi scheme was destined to fail. *In re EPD Inv. Co., LLC*, 114
7 F.4th at 1153 (“[a] trustee’s action to recover assets fraudulently conveyed in the course of a Ponzi
8 scheme does not require that the trustee also prove the Ponzi-scheme operator was subjectively aware
9 his Ponzi scheme was destined to fail.”).

10 31. “But if all the debtor receives in return for a transfer is the use of the defendant’s
11 money to run a Ponzi scheme, there is nothing in the bankruptcy estate for creditors to share. In fact,
12 by helping the debtor perpetuate his scheme, the transfers exacerbate the harm to creditors by
13 increasing the amounts of claims while diminishing the debtor’s estate. In such a situation, the use of
14 the defendant’s money cannot objectively be called ‘reasonably equivalent value.’” *In re Independent*
15 *Clearing House Co.* 77 B.R. at 859. Therefore, “[t]he trustee can avoid the transfers if they were
16 preferential or fraudulent. Transfers to investors in a Ponzi scheme are preferential and fraudulent.
17 Therefore, they constitute “property of the estate,” and the trustee can recover them. *Id.* at 853 n.17
18 (citations omitted).

19 32. Debtor was operating a Ponzi scheme that utilized affiliates and several other entities
20 as investors to continue its unlawful business practices by using funds provided by current investors
21 to attract new investors hoping for very high returns. Therefore, the Debtor was running a Ponzi
22 Scheme and the Ponzi Scheme Presumption can be utilized to infer that the Debtor had the intent to
23 defraud investors within the meaning of 11 U.S.C. section 548(a)(1). This is evidenced by the Court
24 in this Bankruptcy Case declaring that Debtor was operating a Ponzi scheme when it stated the
25 following:

26 It is important to note that this Court has never received any
27 significant and trustworthy evidence that Debtor accomplished
28 meaningful results for its clients, but only anecdotal examples of
 viable success for its clients. By reviewing the Estate’s claims
 register, there is evidence of consumer claims for the fraud and
 demanded but undelivered refunds of approximately \$500 million.
 There is ample evidence that the pre-petition Debtor never placed

the collected funds into an attorney-client trust account, and that Debtor or its principals simply looted the payments received through the client automatic withdrawals, stiffing both the clients and outside attorneys who may have been working on client cases with the hopes of being paid. There is also evidence before the Court that Debtor was running a Ponzi scheme and paying some outside (or “network”) attorneys with funds obtained from new clients. In this case, it appears that some of the “lenders” may have been serving as “investors,” hoping for very high returns before “the music stopped.” The Ninth Circuit has recently explained, “[b]y definition, a Ponzi scheme is destined to fail because the pool of available investors is not limitless. When the Ponzi scheme operator’s pool of investors inevitably runs dry, the scheme collapses and the swindler and their entities often end up in bankruptcy or equitable receivership. *See generally* David R. Hague, Expanding the Ponzi Scheme Presumption, 64 DePaul L. Rev. 867 (2015). In bankruptcy, the court-appointed trustee is tasked with taking immediate control of the entity, ceasing ongoing fraudulent activity, locating and collecting assets for the bankruptcy or receivership estate, and achieving a final, equitable distribution of the remaining assets. *See* 11 U.S.C. § 704; *Kirkland v. Rund (In re EPD Inv. Co., LLC)*, 2024 U.S. App. LEXIS 21363, at *15 (9th Cir. Aug. 23, 2024). Finally, there is evidence that Debtor was encumbering (or as some creditors assert, “double or triple selling”) their accounts or receivables to multiple lenders. With respect to Greysen’s requested Administrative Claim [Dk. 676], and as more fully described in the concurrently entered order denying the claim, there has been no evidence presented that any work allegedly performed by Greysen assisted any clients or added any value to the Estate.

17 | See, Case 8:23-bk-10571-SC, Doc 1545 n. 5.

18 33. Moreover, since the Debtor's transactions with Everyday and Rosen were made with
19 the intent to further the Ponzi scheme, the Debtor did not receive an objectively reasonable equivalent
20 value in its transactions with Everyday and Rosen as set forth herein. This lack of reasonably
21 equivalent value permits the Trustee to avoid the Debtor's obligations with Everyday and recover all
22 payments made to satisfy that obligation because these transactions were actually or constructively
23 fraudulent.

24 34. The Ponzi Scheme Presumption establishes a debtor’s “intent to defraud future
25 undertakers [investors] from the mere fact that a debtor was running a Ponzi scheme.” *Merrill v.*
26 *Abbott (In re Independent Clearing House Co.)*, 77 B.R. 843, 860 (D. Utah 1987). “Knowledge to a
27 substantial certainty constitutes intent in the eyes of the law, *cf. Restatement (Second) of Torts* § 8A
28 (1963 & 1964), and a debtor’s knowledge that future investors will not be paid is sufficient to establish

1 his actual intent to defraud them.” *Id.* A trustee in bankruptcy is not required to show that an operator
2 of a Ponzi scheme was subjectively aware his Ponzi scheme was destined to fail. *In re EPD Inv. Co.,*
3 *LLC*, 114 F.4th at 1153 (9th Cir. 2024).

4 35. “[I]f all the debtor receives in return for a transfer is the use of the defendant’s money
5 to run a Ponzi scheme, there is nothing in the bankruptcy estate for creditors to share.” *In re*
6 *Independent Clearing House Co.* 77 B.R. at 859. In such a situation, the use of the defendant’s money
7 cannot objectively be called “reasonably equivalent value.” *Id.* Therefore, “[t]he trustee can avoid the
8 transfers if they were preferential or fraudulent. Transfers to investors in a Ponzi scheme are
9 preferential and fraudulent. Therefore, they constitute ‘property of the estate,’ and the trustee can
10 recover them.” *Id.* at 853 n.17 (citations omitted).

11 36. Based on the Ponzi Scheme presumption the Court can infer that the Debtor had the
12 intent to defraud investors within the meaning of 11 U.S.C. § 548(a)(1). Since the Debtor’s
13 transactions with the Defendants were made with the intent to further the Ponzi scheme, the Debtor
14 did not receive an objectively reasonable equivalent value for engaging in such transactions, and the
15 Trustee can avoid these transactions or transfers because they were actually fraudulent as to the
16 Debtor’s creditors.

17 **E. Prepetition Litigation and Creditors**

18 37. Debtor’s Schedule E/F, filed on April 4, 2023, as Dk. No. 33, lists: (a) 11 unsecured
19 creditors with priority unsecured claims totaling \$374,060.04; and (b) 58 nonpriority unsecured
20 creditors with scheduled claims totaling \$141,439,158.05.

21 38. The claims register in this Bankruptcy Case includes 2,554 proofs of claim, totaling in
22 excess of \$424 million of claims asserted against the Estate.

23 39. At least 14 UCC-1 statements were of record securing alleged debts of the Debtor as
24 of the Petition Date. These statements either reflected secured liens against the Debtor’s assets then
25 owned or thereafter acquired or provided evidence of the assignment or sale of substantial portions
26 of the Debtor’s future income. They secured the repayment of the following claimed amounts that are
27 currently known to Trustee and are allegedly owed by the Debtor: (a) \$2,374,004.82 owed to Fundura
28 Capital Group as evidenced by Proof of Claim No. 335 purportedly secured by a UCC statement filed

1 on or about May 19, 2021; (b) approximately \$15 million dollars owed to MNS Funding, LLC as
2 evidenced by Proof of Claim No. 1060 purportedly secured by a UCC statement filed on or about
3 May 28, 2021; (c) approximately \$5,000,000 owed to Azzure Capital, LLC as evidenced by Proof of
4 Claim No. 127 purportedly secured by a UCC statement filed on or about May 28, 2021; and (d)
5 approximately \$1.5 million dollars owed to Diverse Capital, LLC purportedly secured by UCC
6 statements filed on or about September 15, 2021, and December 1, 2021.

7 40. Debtor's balance sheets for the 36 months ending December 31, 2021, show
8 approximately \$17,900,000 in total assets at its highest point in November 2021. This amount is
9 significantly less than the \$424 million of claims filed.

10 41. Debtor's Statement of Financial Affairs, filed on April 4, 2023, as Dk. No. 34, reflects
11 15 pending lawsuits against Debtor as of the Petition Date. The lawsuits date back to October 18,
12 2021 (*Fundura v. The Litigation Practice Group P.C. et al.*, Supreme Court of New York Index No.
13 613192-2021) and are as recent as March 10, 2023 (*Diverse Capital LLC v. The Litigation Practice*
14 *Group P.C. et al.*, Supreme Court of New York Index No. 135614-2023).

15 **F. Debtor's Insolvency**

16 42. Debtor was insolvent when the Transfers occurred as evidenced by: (a) the 14 UCC-1
17 statements reflecting secured liens against the Debtor's owned and after-acquired assets and the
18 assignment or sale of substantial portions of the Debtor's future income; (b) the priority and non-
19 priority unsecured debt of nearly \$142 million listed in Debtor's schedules; (c) the \$424 million of
20 creditor claims filed in this Bankruptcy Case; and (d) Debtor's balance sheets reflecting, at its highest
21 point, \$17.9 million of assets in November 2021.

22 43. Moreover, insolvency is presumed as a matter of law where, as in this Bankruptcy
23 Case, the debtor operated a Ponzi scheme. *See, e.g., Glob. Money Mgmt., L.P. v. McDonnold*, No.
24 06CV34, 2008 U.S. Dist. LEXIS 128733, at *15 (S.D. Cal. Feb. 27, 2008) (concluding that "if a Ponzi
25 scheme is proven, then the debtor is proven insolvent from the time of its inception").

26 **SPECIFIC ALLEGATIONS**

27 44. This is the Trustee's second adversary proceeding against Mr. Bayrooti and the Living
28 Trust. In the first adversary proceeding (Case No. 8:24-ap-01068) ("Bayrooti 1"), the Trustee sought

1 to avoid and recover a single transfer from LPG of \$5,814,146.45 to Mr. Bayrooti. As detailed in the
2 Complaint in Bayrooti 1, this payment was to complete Tony Diab's purchase of Mr. Bayrooti's
3 shares of stock in Coast. As set forth in the Amended Complaint in Bayrooti 1 and in the Stipulation
4 of Judgment of Tony Diab filed as Dkt. No. 719 in Adversary Proceeding No. 8:23-ap-1046, Coast
5 processed and collected monthly payments from LPG's consumer clients. Upon information and
6 belief, the only funds that Coast ever received were collected from LPG's consumer clients.

7 45. Upon further information and belief, there was no formal contract between Coast and
8 LPG regarding the fees payable for Coast's processing services. Coast processed the payments for
9 LPG's consumer clients, forwarded sufficient funds to LPG to fund its operations, and retained the
10 rest of the collected funds. Upon further information and belief, the shareholders of Coast treated
11 whatever funds it retained as their funds and diverted those funds to personal use at will.

12 46. The majority of the claims in this action seek to recover the payments and other
13 transfers made by Coast to or for the benefit of Mr. Bayrooti and/or one of the Bayrooti Defendants.
14 These transfers were made by Mr. Bayrooti while he was an officer and shareholder in Coast and.
15 These transfers were paid with funds collected from LPG's clients that Coast had no right to disburse
16 or pay for the benefit of Mr. Bayrooti.

17 47. Mr. Bayrooti and the Bayrooti Defendants also received substantial payments from the
18 Debtor that the Trustee seeks to avoid and recover herein. These transfers are separate from and
19 have no connection to the claims asserted and settled in Bayrooti 1.

Transfers Made From Coast

21 48. As an officer and shareholder, Mr. Bayrooti regularly used the client funds that Coast
22 processed on behalf of LPG to pay his personal expenses, to generate and pay fraudulent invoices to
23 withdraw money from Coast without tax consequences, or to take “distributions” from Coast that
24 were either paid to Mr. Bayrooti or to one or more of the Bayrooti Defendants.

25 49. Mr. Bayrooti and potentially other parties also directed Coast to assign a stream of
26 payments recoverable from future client fees generated from a large group of files to Defendant ABR
27 for no consideration. Upon information and belief, no consideration was paid or value given for the
28 assignment of a portion of these client payments to ABR.

1 50. While investigation is continuing the Trustee has identified more than \$450,000 in
2 transfers from Coast to third parties that were, upon information and belief, paid to or for the benefit
3 of Mr. Bayrooti and/or one of the other Bayrooti Defendant (“Third Party Transfers”). The Third
4 Party Coast Transfers known to the Trustee at present are set forth on Exhibit 2 hereto.

5 51. The Third Party Coast Transfers on Exhibit 2 include payments to Mr. Bayrooti’s ex-
6 wife, payments for life insurance premiums, and designated as “home construction/improvement.”

7 52. There is no business purpose for a payment processing company like Coast to pay the
8 Third Party Coast Transfers in the ordinary course of business.

9 53. As noted above, Mr. Bayrooti also wanted to pull money from Coast without tax
10 consequences. Upon information and belief, Mr. Bayrooti achieved this goal by purchasing precious
11 metals and/or jewelry from Vasco Assets, Inc. (“Vasco”). He then had Coast pay for these purchases
12 based on fake invoices stating that the payments were for “consulting” or “marketing expenses.”

13 54. The website for Vasco states that it “specializes in the global trade of luxury tangible
14 assets ...[focusing] on precious metals and stones, luxury watches, state and designer jewelry,
15 diamonds, coins, luxury and exotic vehicles and select collectible art..”

16 55. There was no legitimate business purpose for Coast to pay Vasco for “consulting” or
17 “marketing expenses.”

18 56. While investigation is continuing the Trustee has identified more than \$470,000 in
19 transfers from Coast to Vasco to purchase precious metals, gems, and the like to or for the benefit of
20 Mr. Bayrooti and/or the Bayrooti Defendants (“Vasco Coast Transfers”). The Vasco Coast Transfers
21 known to the Trustee at present are set forth on Exhibit 3 hereto

22 57. Upon information and belief, Mr. Bayrooti also generated false invoices or
23 transactions between Coast and his company, Arsha. Upon information and belief, the trade name of
24 Arsha is Lifetime Flooring, and its actual business is the selling and installation of floors. Despite
25 Coast occupying a rented office space that was ready for use, Mr. Bayrooti had Coast pay Arsha more
26 than \$450,000 that Coast treated as “outside services” and/or “personal loans” (“Arsha Transfers”).
27 The Arsha Transfers known to the Trustee at present are set forth on Exhibit 4 hereto.

28 ///

1 58. Upon information and belief, Arsha never performed any services for Coast that were
2 provided in the ordinary course of business.

3 59. To the extent any of the Arsha Transfers were actually loans, Arsha has not repaid any
4 such loans to Coast.

5 60. As discussed in Bayrooti 1, Mr. Diab and Mr. Bayrooti were discussing Mr. Diab
6 purchasing Mr. Bayrooti shares of stock in Coast in the spring of 2021.

7 61. While these discussions were underway, on May 21, 2021 Mr. Bayrooti withdrew
8 \$3,300,000.00 (“Withdrawal”) from the Coast bank account at Union Bank with an account number
9 ending in XX4833 (“Account”).

10 62. Coast used this Account to collect payments from the Debtor’s clients. EPPS, another
11 payment processor for the Debtor, also deposited funds into the Account.

12 63. The Withdrawal was taken from client funds collected from the Debtor’s clients.

13 64. An extract from the Account showing the most recent deposits into the Account before
14 May 21, 2021 is shown below.

5/18	WIRE TRANS TRN 0518020617 051821 UBOC UB516900N	93054234	742,737.15
Received From:			
EPPS, INC			
Originator:			
5/18	Coast Processing Settlement CCD 000011297872594	52551327	20,242.55
5/18	COAST PROCESSING PC CLEAR PPD -SETT-PC CLEAR2	53007605	185,259.85
5/19	COAST PROCESSING PC CLEAR PPD -SETT-PC CLEAR2	54390887	39,562.97
5/19	Coast Processing Settlement CCD 000011307710778	53963643	41,845.37
5/20	COAST PROCESSING PC CLEAR PPD -SETT-PC CLEAR2	55663597	5,395.13
5/20	Coast Processing Settlement CCD 000011316234409	55210175	153,787.80
5/21	COAST PROCESSING PC CLEAR PPD -SETT-PC CLEAR2	56683246	37,107.49

21 65. Mr. Bayrooti’s use of the Withdrawal is not known to the Trustee at present.

22 66. Finally, upon information and belief, Mr. Bayrooti and one or more unknown parties
23 assigned a portion of client funds collected on a large group of the Debtor’s client files to ABR
24 (“Assignment”).

25 67. ABR paid no consideration to Coast or the Debtor for the Assignment.

26 68. The date of the Assignment is not known to the Trustee; however, the Debtor was not
27 incorporated until February 22, 2019. Thus, the Assignment must have occurred after that date.

28 ///

69. Under the Debtor's business model (albeit illegal), the funds assigned from ABR from these files should have been paid to the marketing company that referred the client(s) to the Debtor.

70. But, once the Assignment was made in Coast's computer system, regular payments were sent to ABR when funds were collected from the files in the designated group.

71. From the date of the Assignment through August 19, 2021, Coast paid ABR the sum of \$2,811,004.94 in multiple transfers pursuant to the Assignment (“Assignment Payment”).

Transfers From The Debtor

72. Even after Mr. Bayrooti's interest in Coast was purchased, the Assignment was paid to ABR. The Debtor made payments directly to ABR, which are identified on **Exhibit 5** hereto ("File Payments").

73. Upon information and belief, the File Payments were made pursuant to the Assignment, and they were paid with client funds.

74. As a result of the Assignment, ABR was paid another \$2,500,000.00 in two transfers on or about November 23, 2021 by Validation Partners, LLC (“Validation”) as part of its transaction with the Debtor (collectively “Validation Payment”). The Validation Payment was made to purchase or “buy out” the Assignment. A true and accurate copy of a page from Validation’s bank account showing the Validation Payment is attached hereto as **Exhibit 6**.

75. The Validation Payment to ABR was a transfer of the Debtor's property as it was paid from the proceeds of the Debtor's investment from/transaction with Validation.

76. Upon information and belief, Mr. Bayrooti had loaned money to Mr. Diab in a matter unrelated to the Debtor. Mr. Bayrooti and Mr. Diab agreed that this loan would be repaid from the Debtor in a manner similar to the Vasco Coast Transfers to avoid tax implications for Mr. Bayrooti. Mr. Bayrooti purchased precious metals, jewelry, and similar items from Vasco, and the Debtor paid for these purchases using false invoices stating the payment was for “consulting” or “marketing.” The payments the Debtor made to Vasco (“Vasco LPG Payments”) on behalf of Mr. Bayrooti are identified on **Exhibit 7** hereto.

111

111

77. Upon information and belief, Vasco, Bayrooti, and the Debtor all cooperated to have the purchased items delivered to Mr. Bayrooti and to arrange for the payment of the invoices from Vasco by LPG appear as a business expenses.

78. The Third-Party Transfers, Vasco Coast Transfers, Arsha Transfers, Withdrawal, Assignment, File Payments, Assignment Payment, Validation Payment, and Vasco LPG Payments are collectively referred to herein as the “Transfers”.

FIRST CLAIM FOR RELIEF

Avoidance, Preservation, and Recovery of Actual Fraudulent Transfer(s)

11 U.S.C. §§ 548(a)(1)(A), 550 & 551

79. Plaintiff incorporates by reference the preceding Paragraphs as if set forth in full.

80. The Transfers were property of the Debtor and/or its Estate.

81. Many of the Transfers occurred within the two years prior to the Petition Date (“Two-Year Transfers”).

82. On or after the date that each Two-Year Transfer occurred, the Debtor was or became indebted include the Prepetition Creditors.

83. The Two-Year Transfers happened when the Debtor was insolvent or was rendered insolvent as a result of the Two-Year Transfers.

84. The Two-Year Transfers were done with actual intent to hinder, delay or defraud the creditors of Debtor because the Debtor was operating a Ponzi scheme which permits the Court to infer that intent in making the Two-Year Transfers was fraudulent within the meaning of 11 U.S.C. section 548(a)(1).

85. The Two-Year Transfers are avoidable as fraudulent pursuant to 11 U.S.C. §§ 548(a)(1)(A), 550, and 551 by one or more creditors who held and hold unsecured claims against Debtor that were and are allowable against Debtor's Estate under 11 U.S.C. § 502, or that were not and are not allowable only under 11 U.S.C. § 502(e), including, without limitation, the Prepetition Creditors.

111

111

86. The Two-Year Transfers should be avoided as fraudulent under 11 U.S.C. § 548(a)(1)(A), and such transferred property, or the value thereof, should be recovered and preserved for the benefit of the Estate pursuant to 11 U.S.C. §§ 550 and 551.

SECOND CLAIM FOR RELIEF

Avoidance, Preservation, and Recovery of Constructively Fraudulent Transfer(s)

11 U.S.C. §§ 548(a)(1)(B), 550 & 551

87. Plaintiff realleges and incorporates by reference each and every allegation contained in the preceding paragraphs as though set forth in full herein.

88. The Two-Year Transfers were made within two years before the Petition Date.

89. Debtor did not receive reasonably value in exchange for the Two-Year Transfers.

90. The Two-Year Transfers were made when Debtor was insolvent and/or rendered insolvent as a result of the Two-Year Transfers.

91. When the Two-Year Transfers were made, the Debtor's business was undercapitalized, the Two-Year Transfers used funds that should have been delivered to the Debtor, and the Debtor was engaged in business for which its capital was unreasonably small.

92. When the Two-Year Transfers were executed, Debtor had incurred or was about to incur debts that were beyond its ability to pay. The allegations in the preceding paragraphs are supported by the fact that the Debtor was borrowing money regularly from merchant cash lenders and “selling” files to investors to provide liquidity.

93. At the time each Two-Year Transfer was made, Debtor was indebted to one or more creditors that held a claim against Debtor on that date and on the Petition Date.

94. Plaintiff alleges that the Two-Year Transfers were not made in good faith, for value, and without knowledge of their avoidability.

95. Each Defendant that received or benefitted from the Two-Year Transfers knew or should have known that the funds used to make the Two-Year Transfers were client funds or was the result of “selling” payments from client files to non-lawyers.

96. Each Defendant knew or should have known that Coast collected payments from the Debtor's clients, and as client funds, these should have been placed in escrow by the Debtor.

1 97. The Two-Year Transfers are avoidable as fraudulent pursuant to 11 U.S.C. §§
2 548(a)(1)(B), 550, and 551 by one or more creditors who held and hold unsecured claims against
3 Debtor that were and are allowable against Debtor's Estate under 11 U.S.C. § 502, or that were not
4 and are not allowable only under 11 U.S.C. § 502(e), including, without limitation, the Prepetition
5 Creditors.

6 98. As avoidable transfers pursuant to 11 U.S.C. § 548(a)(1)(B), the Transfers, or the value
7 thereof, should be recovered and preserved for the benefit of the Estate pursuant to 11 U.S.C. §§ 550
8 and 551.

THIRD CLAIM FOR RELIEF

Avoidance, Recovery, and Preservation of Four-Year Actual Fraudulent Transfer(s)

[11 U.S.C. §§ 544(b), 550, and 551; Cal. Civ. Code §§ 3439.04(a)(1) and 3439.07]

12 99. Plaintiff realleges and incorporates by reference each and every allegation contained
13 in the preceding paragraphs as though set forth in full herein.

14 100. Under 11 U.S.C. § 544(b)(1), Plaintiff may avoid obligations of the Debtor which are
15 voidable under applicable law by an unsecured creditor of Debtor, including under California Civil
16 Code §§ 3439.04(a)(1) and 3439.05.

101. All of the Transfers occurred within four years prior to the Petition Date.

18 102. On or after the date that the Transfers were made, entities to which Debtor was or
19 became indebted include the Prepetition Creditors.

103. Despite Debtor's obligation to the Prepetition Creditors, the Transfers were made
with funds that should have been delivered to the Debtor.

22 104. The Transfers were made with the actual intent to hinder, delay or defraud the
23 creditors of Debtor as the Debtor was operating a Ponzi scheme and because the Transfers were
24 made from client funds that were diverted from the Debtor.

25 105. The Transfers were made with oppression, fraud and malice, as defined in California
26 Civil Code section 3294, entitling Plaintiff to exemplary and punitive damages.

27	/ / /
28	/ / /

1 106. The Transfers are avoidable as fraudulent pursuant to 11 U.S.C. § 544(b) and Cal.
2 Civ. Code §§ 3439.04(a)(1) and 3439.07 by one or more creditors who held and hold unsecured
3 claims against Debtor that were and are allowable against its Estate under 11 U.S.C. § 502 or that
4 were not and are not allowable only under 11 U.S.C. § 502(e), including, without limitation, the
5 Prepetition Creditors.

6 107. The Transfers are avoidable as fraudulent pursuant to 11 U.S.C. §§ 544 and Cal. Civ.
7 Code §§ 3439.04(a)(1) and 3439.07 by one or more creditors who held and hold unsecured claims
8 against Debtor that were and are allowable against Debtor's Estate under 11 U.S.C. § 502, or that
9 were not and are not allowable only under 11 U.S.C. § 502(e), including, without limitation, the
10 Prepetition Creditors.

11 108. As avoidable transfers pursuant to 11 U.S.C. § 544, the Transfers, or the value thereof,
12 should be recovered and preserved for the benefit of the Estate pursuant to 11 U.S.C. §§ 550 and 551.

13 **FOURTH CLAIM FOR RELIEF**

14 **Avoidance, Preservation, and Recovery of Constructive Fraudulent Transfer(s)**

15 **11 U.S.C. §§ 544, 550, 551; Cal. Civ. Code §§ 3439.04(a)(2), 3439.05 and 3439.07**

16 109. Plaintiff realleges and incorporates by reference each and every allegation contained
17 in the preceding paragraphs as though set forth in full herein.

18 110. Under 11 U.S.C. § 544(b)(1), Plaintiff may avoid transfers of an interest of Debtor
19 which are voidable under applicable law by an unsecured creditor of Debtor, including under
20 California Civil Code §§ 3439.04(a)(2) and 3439.05.

21 111. Debtor did not receive reasonably equivalent value in exchange for the Transfers.

22 112. The Transfers were made at a time when Debtor was insolvent and/or rendered
23 insolvent by virtue of said transfers.

24 113. At the time each Transfer was made, Debtor was engaged or was about to engage in
25 a business or a transaction for which the remaining assets of Debtor were unreasonably small in
26 relation to the business or transaction.

27 ///
28 ///

1 114. At the time each Transfer was made, Debtor intended to incur or, believed or
2 reasonably should have believed that Debtor would incur, debts beyond Debtor's ability to pay as
3 they became due.

4 115. At the time each Transfer was made, Debtor was indebted to one or more creditors
5 that held a claim against Debtor on the date of each Transfer and on the Petition Date.

6 116. The Transfers were made at a time when Debtor was insolvent and/or rendered
7 insolvent by virtue of said transfers.

8 117. Plaintiff alleges that Defendants did not receive the Transfers in good faith, for value,
9 and without knowledge of their avoidability.

10 118. Each Defendant knew that the Debtor was a law firm who was required by law to
11 escrow client payments until earned.

12 119. Each Defendant knew or should have known that the funds used to make the Transfers
13 was client funds that were diverted from the Debtor, or were the proceeds of "selling" payments
14 from client files to non-lawyers.

15 120. Based on the foregoing, Plaintiff may avoid the Transfers pursuant to 11 U.S.C. § 544
16 and California Civil Code §§ 3439.04(a)(2) and 3439.05.

17 121. Based on the foregoing, Plaintiff may recover and preserve the Transfers from the
18 Defendants as the initial transferee or, alternatively, as the subsequent transferee for the benefit of
19 the Estate pursuant to 11 U.S.C. §§ 550 and 551, and Cal. Civ. Code § 3439.07.

20 **On the First, Second, Third, and Fourth Claims for Relief:**

21 1. Avoiding the Two-Year Transfers and/or the Transfers to or for the benefit of the
22 Defendants as fraudulent conveyances made with an intent to defraud pursuant to 11 U.S.C. §
23 548(a)(1)(A) and/or 11 U.S.C. § 544 and California Civil Code §§ 3439.04(a)(1) and 3439.05 and
24 ordering their recovery and preservation pursuant to 11 U.S.C. §§ 550 and 551, and Cal. Civ. Code
25 § 3439.07; and/or

26 ///

27 ///

28 ///

1 2. Avoiding the Two-Year Transfers and/or the Transfers to or for the benefit of the
2 Defendants as fraudulent conveyances pursuant to 11 U.S.C. § 548(a)(1)(B) and/or 11 U.S.C. § 544
3 and California Civil Code §§ 3439.04(a)(2) and 3439.05 and ordering their recovery and preservation
4 pursuant to 11 U.S.C. §§ 550 and 551, and Cal. Civ. Code § 3439.07; and/or

5 3. Granting any other and such further relief as the Court deems just and proper.

6

7 Dated: April 2, 2025

Respectfully submitted,

8

DINSMORE & SHOHL LLP

9

10 By: /s/ Tyler Powell
11 Tyler Powell
12 Christopher B. Ghio
13 Christopher Celentino
14 Special Counsel to Richard A. Marshack,
15 Trustee of the LPG Liquidation Trust

16

17

18

19

20

21

22

23

24

25

26

27

28

Exhibit 1

1 CHRISTOPHER B. GHIO (259094)
2 christopher.ghio@dinsmore.com
3 CHRISTOPHER CELENTINO (131688)
4 christopher.celentino@dinsmore.com
5 YOSINA M. LISSEBECK (201654)
6 yosina.lissebeck@dinsmore.com
7 DINSMORE & SHOHL LLP
8 655 West Broadway, Suite 800
9 San Diego, California 92101
10 Tele: 619.400.0500
11 Fax: 619.400.0501

FILED & ENTERED

JUN 03 2024

CLERK U.S. BANKRUPTCY COURT
Central District of California
BY mccall DEPUTY CLERK

8 Sarah S. Mattingly (Ky. Bar 94257)
9 sarah.mattingly@dinsmore.com
10 DINSMORE & SHOHL, LLP
11 101 S. Fifth Street, Suite 2500
12 Louisville, Kentucky 40202
13 Tele: 859-425-1096
14 Fax: 502-585-2207
15 (Admitted pro hac vice)

16 Special Counsel to Richard A. Marshack

UNITED STATES BANKRUPTCY COURT

CENTRAL DISTRICT OF CALIFORNIA – SANTA ANA DIVISION

16 In Re Case No: 23-bk-10571-SC

17 Chapter 11

18 The Litigation Practice Group P.C.,
19 Debtor(s),

**ORDER GRANTING MOTION FOR
ENTRY OF PROTECTIVE ORDER AND
THE PROTECTIVE ORDER**

21 Date: May 23, 2024
22 Time: 1:30 p.m.
23 Judge: Hon. Scott C. Clarkson
24 Place: Courtroom 5C (via Zoom)¹
25 411 West Fourth Street
26 Santa Ana, CA 92701

27
28 ¹ Video and audio connection information for each hearing will be provided on Judge Clarkson's
publicly posted hearing calendar, which may be viewed online at:
<http://ecf-ciao.cacb.uscourts.gov/CiaoPosted/?jid=SC>.

The Court has read and considered the Notice of Motion and Motion for Entry of Protective Order (the “Motion”) filed by Richard A. Marshack, in his capacity as the Chapter 11 Trustee (the “Trustee”) of the Bankruptcy Estate (“Estate”) of The Litigation Practice Group P.C., on May 2, 2024, pursuant to Federal Rule of Bankruptcy Procedure 7026 and Federal Rule of Civil Procedure 26(c)(1), as Dk. No. 1164 (“Motion”), and has found good cause to grant the Motion.

IT IS HEREBY ORDERED that:

1. The Motion is granted;
2. The below Protective Order shall apply to any contested matter arising in the main bankruptcy case and in all adversary proceedings filed by or against Trustee, present and future; and
3. Govern the discovery conducted therein.

PROTECTIVE ORDER

1. DEFINITIONS

1.1 "Confidential Information" as used in this Protective Order shall mean documents and other information (regardless of how generated, stored or maintained) that a Party or non-party reasonably believes to contain or reflect non-public financial or business information, bank records, financial records, such as social security numbers, non-public financial or personal information of a Party or non-party, account numbers, sensitive digital information and identifiers, information subject to confidentiality agreements or provisions other than this Protective Order, and other non-public research, development, or commercial information that derives value or avoids injury by virtue of not being known to the public.

1.2 This "Action" is defined and hereby means any contested matter arising in the main bankruptcy case and in all adversary proceedings filed by or against Trustee, present and future.

1.3 "Designating Party" means a Party or non-party that designates Confidential Information during the Action.

1.4 "Receiving Party" means a Party that receives Confidential Information during the Action.

1 1.5 “Party” or “Parties” means person or entity subject to this Protective Order.

2 **2. SCOPE OF THIS PROTECTIVE ORDER**

3 2.1 Unless otherwise ordered, this Protective Order shall govern certain documents and
4 other products of discovery obtained in the Action from the Parties there to, and from third parties.
5 As well as certain information copied or derived therefrom, excerpts, summaries or compilations
6 thereof, including, but not limited to, documents voluntarily exchanged as part of early settlement
7 discussions, documents produced pursuant to initial disclosures, requests authorized by the Federal
8 Rules of Civil Procedure made applicable herein by the Federal Rules of Bankruptcy Procedure,
9 answers to interrogatories, deposition transcripts, responses to requests for production, responses to
10 requests for admission, subpoenas, affidavits, declarations, expert reports, and other such material
11 and information as may be produced during the course of the Action and designated as Confidential
12 Information.

13 **3. DESIGNATION OF CONFIDENTIAL INFORMATION**

14 3.1 This Protective Order shall govern the production and handling of any Confidential
15 Information in this Action. Any Party or non-party who produces Confidential Information in this
16 Action may designate it as "Confidential" or "Attorneys' Eyes Only" consistent with the terms of this
17 Protective Order. Whenever possible, the Designating Party must designate only those portions of a
18 document, written discovery responses, deposition, transcript, or other material that contain the
19 Confidential Information and refrain from designating entire documents. Regardless of any
20 designations made hereunder, the Designating Party is not otherwise restricted from use or disclosure
21 of its Confidential Information outside of this Action or for any business purposes. In addition, any
22 Party may move to modify or seek other relief from any of the terms of this Protective Order if it has
23 first tried in writing and in good faith to resolve its needs or disputes with the other Parties or Party
24 as the case may be under the terms of this Protective Order. Further, nothing in this Protective Order
25 shall prevent a Party from redacting documents consistent with the Federal Rules of Civil Procedure
26 and utilizing the documents as needed through-out the Action.

27 3.2 Application to Non-Parties: Before a non-party is given copies of documents or
28 materials designated as Confidential Information or Attorneys' Eyes Only as permitted hereunder, it

1 must first sign an acknowledgment to be bound to these terms that is attached hereto as Exhibit A; if
2 it fails to do so, the Parties to this Action must resolve any such dispute before making disclosure of
3 designated information as permitted hereunder to the non-party. If a non-party wishes to make
4 designations hereunder, it must first sign attached Exhibit A.

5 3.3 Timing and Provisional Protection: Designations of Confidential Information may be
6 made at any time. To avoid potential waiver of protection hereunder, the Designating Party should
7 designate documents or materials containing Confidential Information at the time of production or
8 disclosure, including on the record during the taking of any deposition. Deposition testimony will be
9 deemed provisionally protected for a period of thirty (30) days after the transcript is released to the
10 Parties by the court reporter, although the Parties may agree at any time to different timelines of
11 provisional protection of information as Confidential or Attorneys' Eyes Only as part of one or more
12 specific depositions. To retain any designations beyond the provisional period, a Designating Party
13 must designate specific pages and lines of deposition testimony before the provisional period has
14 expired. Such designations must be made in writing so that all counsel and court reporters may append
15 the designation to all copies of the transcripts.

16 3.4 Manner of Designation: Confidential Information may be designated hereunder in any
17 reasonable manner or method that notifies the Receiving Party of the designation level and identifies
18 with specificity the information to which the designation applies. If made verbally, the Designating
19 Party must promptly confirm the designation in writing. Whenever possible, the Designating Party
20 should stamp, affix, or embed a legend of "CONFIDENTIAL" or "ATTORNEYS' EYES ONLY" on
21 each designated page of the document or electronic image that contains Confidential Information.

22 **4. CHALLENGES TO DESIGNATED INFORMATION**

23 4.1 In the event that a Receiving Party disagrees at any time with any designation(s) made
24 by the Designating Party, the Receiving Party must first try to resolve such challenge in good faith
25 on an informal basis with the Designating Party. The Receiving Party must provide written notice of
26 the challenge and the grounds therefor to the Designating Party, who must respond in writing to the
27 challenge within fifteen (15) days. At all times, the Designating Party carries the burden of
28 establishing the propriety of the designation and protection level. Unless and until the challenge is

1 resolved by the Parties or ruled upon by the Court, the designated information shall remain protected
2 under this Protective Order. The failure of any Receiving Party to challenge a designation does not
3 constitute a concession that the designation is proper or an admission that the designated information
4 is otherwise competent, relevant, or material.

5 **5. LIMITED ACCESS/USE OF PROTECTED INFORMATION**

6 5.1 Restricted Use: Information that is produced or exchanged in the course of the Action
7 and designated under this Protective Order may be used for preparation for trial and preparation for
8 any appeal of any and all matters in the Action, as well as related settlement negotiations, and for no
9 other purpose, without the written consent of the Designating Party. No Confidential Information may
10 be disclosed to any person except in accordance with the terms of this Protective Order, unless the
11 parties are co-counsel or have entered into joint defense agreements. All persons in possession of
12 Confidential Information agree to exercise reasonable care with regard to the custody, use, or storage
13 of such information to ensure that its confidentiality is maintained. This obligation includes, but is
14 not limited to, the Receiving Party providing to the Designating Party prompt notice of the receipt of
15 any subpoena that seeks production or disclosure of any designated information and consulting with
16 the Designating Party before responding to the subpoena. Any use or disclosure of Confidential or
17 Attorneys' Eyes Only information in violation of the terms of this Protective Order may subject the
18 disclosing person or party to sanctions.

19 5.2 Access to "Confidential" Information: The Party(ies) and all persons subject to this
20 Protective Order agree that information designated as "CONFIDENTIAL" may only be accessed or
21 reviewed by the following:

22 a) The Court, its personnel, and court reporters;

23 b) Counsel of record, or co-counsel for any Party, or other party that has entered into a
24 joint defense agreement in the Action and their employees who assist counsel of record, or co-counsel
25 in the Action and are informed of the duties and obligations imposed hereunder;

26 c) The Parties, including their clients, agents and employees who are assisting or have
27 reason to know of the Action;

28 ///

1 d) Experts or consultants employed by the Parties or their counsel, or co-counsel, for
2 purposes of an Action, so long as each such expert or consultant has signed attached Exhibit A; and

3 e) Other witnesses or persons with the Designating Party's consent or by court order.

4 5.3 Access to "Attorneys' Eyes Only" Designations: The Parties and all persons subject to
5 this Protective Order agree that information designated as "ATTORNEYS' EYES ONLY" may only
6 be accessed or reviewed by the following:

7 a) The Court, its personnel, and court reporters;

8 b) Counsel of record, or co-counsel for any Party, or other party that has entered into a
9 joint defense agreement in the Action and their employees who assist counsel of record in the Action
10 and are informed of the duties hereunder;

11 c) In-house counsel for any Party in the Action and Richard A. Marshack, as Chapter 11
12 Trustee of The Litigation Practice Group P.C. who is informed of the duties and obligations imposed
13 hereunder;

14 d) Experts or consultants employed by the Parties or their counsel, or co-counsel for
15 purposes of the Action, and so long as each such expert or consultant has signed attached Exhibit A;
16 and

17 e) Other witnesses or persons to whom the Designating Party agrees in advance of
18 disclosure or by court order.

19 5.4 Non-Waiver Effect of Designations: Neither the taking of, nor the failure to take, any
20 action to enforce the provisions of this Protective Order, nor the failure to object to any designation,
21 will constitute a waiver of any Party(ies)'s claim or defense in the Action or any other action or
22 proceeding, including, but not limited to, a claim or defense that any designated information is or is
23 not Confidential, is or is not entitled to particular protection, or embodies or does not embody
24 information protectable by law.

25 5.5 In-Court Use of Designated Information: If information designated under this
26 Protective Order will or may be offered in evidence at a hearing or trial related to any matter in the
27 Action, then the offering party must give advance notice to the party or non-party that designated
28 prior to offering the information so that any use or disclosure may be addressed in accordance with

1 the Court's case-management or other pre-trial order, or by a motion *in limine*. Nothing in this
2 Protective Order shall be construed as a waiver by a Party of any objections that may be raised as to
3 the admissibility at trial of any evidentiary materials.

4 **6. CLAW-BACK REQUESTS**

5 6.1 Failure to Make Designation: If, at any time, a Party or non-party discovers that it
6 produced or disclosed Confidential Information without designation, it may promptly notify the
7 Receiving Party and identify with particularity the Confidential Information to be designated and the
8 level of designation (the claw-back notification). The Receiving Party may then request substitute
9 production of the newly-designated information. Within thirty (30) days of receiving the claw-back
10 notification, the Receiving Party must: (1) certify to the Designating Party it has appropriately marked
11 or, if substitute production has been requested, destroyed all unmarked copies that it received, made,
12 and/or distributed; and (2) if it was practicably unable to mark or destroy any information because
13 disclosures occurred while the Receiving Party was under no duty of confidentiality under the terms
14 of this Protective Order regarding that information, the Receiving Party must reasonably provide as
15 much information as practicable to aid the Designating Party in protecting the information,
16 consistently with the Receiving Party's attorney-client, work-product, and/or trial-preparation
17 privileges.

18 6.2 Inadvertent Production of Privileged Information: If, at any time, a Party discovers
19 that it produced information that it reasonably believes is subject to protection under the
20 attorney/client, work-product, or trial-preparation privileges, then it must promptly notify each
21 Receiving Party of the claim for protection, the basis for it, amend its privilege log accordingly, and
22 comply with Fed. R. Civ. P. 26(b)(5). Whenever possible, the producing party must produce substitute
23 information that redacts the information subject to the claimed protection. The Receiving Party must
24 thereupon comply with Fed. R. Civ. P. 26(b)(5)(B) as to the information subject to the claimed
25 protection.

26 ///

27 ///

28 ///

1 **7. DURATION/CONTINUED RESTRICTIONS**

2 7.1 Handling of Designated Information Upon Conclusion of the Main Bankruptcy Case:
3 Upon conclusion of the Main Bankruptcy Case, by way of dismissal or closing of the case, the
4 Designating Party(ies) is/are responsible for ensuring that any Party or person to whom the
5 Designating Party shared or disclosed designated information in any of the matters under the Action
6 returns or destroys all of its copies, regardless of the medium in which it was stored. No witness or
7 Party may retain designated information that it received from any other Party or non-party under this
8 Protective Order; only counsel of record, or co-counsel, are the authorized agents who may retain one
9 copy for their respective legal files, and who must also describe to the Designating Party the extra
10 steps taken to protect its legal file containing paper and/or electronic copies of the designated
11 information so that it is not accessed, used, or disclosed inconsistently with the obligations under this
12 Protective Order. This provision does not apply to the Court or Court staff. Moreover, this provision
13 does not apply to Trustee, who may retain and use – consistent with this Order – Confidential
14 Information received in any Action during the entirety of the Bankruptcy.

15 7.2 Continued Restrictions Under this Protective Order: The restrictions on disclosure and
16 use of Confidential Information shall survive the conclusion of the Bankruptcy case and any matter
17 in the Action.

18 **8. PRIVILEGED OR PROTECTED INFORMATION**

19 8.1 Nothing in this Protective Order shall require disclosure of information that is
20 protected by the attorney-client privilege, the work-product protection, or any other legally cognizable
21 privilege (a “Privilege or Protection”). If information subject to a claim of Privilege or Protection is
22 inadvertently produced, pursuant to Federal Rule of Evidence 502(d) such production shall not
23 constitute a waiver of, or estoppel as to, any claim of Privilege or Protection for such information or
24 any other information that may be protected from disclosure by a Privilege or Protection in any
25 proceeding.

26 8.2 If a Party receives a document that appears to be subject to a Privilege or Protection,
27 then it shall refrain from examining the document any more than is essential to ascertain if it is
28 privileged or protected and shall promptly notify the producing Party in writing that the receiving

1 Party possesses material that appears to be subject to a Privilege or Protection. The producing Party
2 shall have seven (7) days after receiving such notice to assert a Privilege or Protection over the
3 identified material. If the producing Party does not assert a claim of Privilege or Protection within the
4 seven (7)-day period, the material in question shall be deemed not privileged or protected.

5 8.3 If a producing Party has produced a document subject to a claim of Privilege or
6 Protection, upon written request by the producing Party, the document for which a claim of Privilege
7 or Protection is made shall be sequestered or destroyed to the extent reasonably practicable, and the
8 receiving Party shall not use the document for any purpose other than in connection with analyzing
9 or disputing a claim of Privilege or Protection or in connection with a motion to compel the production
10 of the document.

11 8.4 The receiving Party sequestering or destroying such material may then move the Court
12 for an order compelling production of the material. The applicable producing Party bears the burden
13 of establishing the applicable Privilege or Protection of any clawed-back document or information as
14 and to the same extent that it would have borne such burden had it not produced the document or
15 information. Nothing in this Protective Order shall limit the Court's right or any receiving Party's
16 right to request an in camera review of any information subject to a claim of Privilege or Protection.
17

18 ###
19
20
21
22
23

24 Date: June 3, 2024


25 Scott C. Clarkson
26 United States Bankruptcy Judge
27
28

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

EXHIBIT "A"

1 Christopher B. Ghio (State Bar No. 259094)
2 Christopher Celentino (State Bar No. 131688)
3 Yosina M. Lissebeck (State Bar No. 201654)

DINSMORE & SHOHL LLP

4 655 West Broadway, Suite 800
5 San Diego, CA 92101
6 Telephone: 619.400.0500
7 Facsimile: 619.400.0501
8 christopher.ghio@dinsmore.com
9 christopher.celentino@dinsmore.com
10 yosina.lissebeck@dinsmore.com

11 Sarah S. Mattingly (Ky. Bar 94257)
12 DINSMORE & SHOHL, LLP
13 101 S. Fifth Street, Suite 2500
14 Louisville, KY 40202
15 Telephone: 859-425-1096
16 Facsimile: 502-585-2207
17 Sarah.mattingly@dinsmore.com
18 (Admitted pro hac vice)

19 Special Counsel to Richard A. Marshack,
20 Chapter 11 Trustee

21
22
23
24
25
26
UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA

27 In Re

28 The Litigation Practice Group P.C.,
29 Debtor(s),

30 Case No. 8:23-BK-10571-SC

31 Chapter 11

32
33
34
35
EXHIBIT A TO STIPULATED
ORDER

36 Date: May 23, 2024

37 Time: 1:30 p.m.

38 Judge: Hon. Scott C. Clarkson

39 Place: Courtroom 5C¹ - Via Zoom
40 411 W. Fourth Street
41 Santa Ana, CA 92701

42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100
101
102
103
104
105
106
107
108
109
110
111
112
113
114
115
116
117
118
119
120
121
122
123
124
125
126
127
128
129
130
131
132
133
134
135
136
137
138
139
140
141
142
143
144
145
146
147
148
149
150
151
152
153
154
155
156
157
158
159
160
161
162
163
164
165
166
167
168
169
170
171
172
173
174
175
176
177
178
179
180
181
182
183
184
185
186
187
188
189
190
191
192
193
194
195
196
197
198
199
200
201
202
203
204
205
206
207
208
209
210
211
212
213
214
215
216
217
218
219
220
221
222
223
224
225
226
227
228
229
230
231
232
233
234
235
236
237
238
239
240
241
242
243
244
245
246
247
248
249
250
251
252
253
254
255
256
257
258
259
260
261
262
263
264
265
266
267
268
269
270
271
272
273
274
275
276
277
278
279
280
281
282
283
284
285
286
287
288
289
290
291
292
293
294
295
296
297
298
299
300
301
302
303
304
305
306
307
308
309
310
311
312
313
314
315
316
317
318
319
320
321
322
323
324
325
326
327
328
329
330
331
332
333
334
335
336
337
338
339
340
341
342
343
344
345
346
347
348
349
350
351
352
353
354
355
356
357
358
359
360
361
362
363
364
365
366
367
368
369
370
371
372
373
374
375
376
377
378
379
380
381
382
383
384
385
386
387
388
389
390
391
392
393
394
395
396
397
398
399
400
401
402
403
404
405
406
407
408
409
410
411
412
413
414
415
416
417
418
419
420
421
422
423
424
425
426
427
428
429
430
431
432
433
434
435
436
437
438
439
440
441
442
443
444
445
446
447
448
449
450
451
452
453
454
455
456
457
458
459
460
461
462
463
464
465
466
467
468
469
470
471
472
473
474
475
476
477
478
479
480
481
482
483
484
485
486
487
488
489
490
491
492
493
494
495
496
497
498
499
500
501
502
503
504
505
506
507
508
509
510
511
512
513
514
515
516
517
518
519
520
521
522
523
524
525
526
527
528
529
530
531
532
533
534
535
536
537
538
539
540
541
542
543
544
545
546
547
548
549
550
551
552
553
554
555
556
557
558
559
560
561
562
563
564
565
566
567
568
569
570
571
572
573
574
575
576
577
578
579
580
581
582
583
584
585
586
587
588
589
590
591
592
593
594
595
596
597
598
599
600
601
602
603
604
605
606
607
608
609
610
611
612
613
614
615
616
617
618
619
620
621
622
623
624
625
626
627
628
629
630
631
632
633
634
635
636
637
638
639
640
641
642
643
644
645
646
647
648
649
650
651
652
653
654
655
656
657
658
659
660
661
662
663
664
665
666
667
668
669
670
671
672
673
674
675
676
677
678
679
680
681
682
683
684
685
686
687
688
689
690
691
692
693
694
695
696
697
698
699
700
701
702
703
704
705
706
707
708
709
710
711
712
713
714
715
716
717
718
719
720
721
722
723
724
725
726
727
728
729
730
731
732
733
734
735
736
737
738
739
740
741
742
743
744
745
746
747
748
749
750
751
752
753
754
755
756
757
758
759
760
761
762
763
764
765
766
767
768
769
770
771
772
773
774
775
776
777
778
779
780
781
782
783
784
785
786
787
788
789
790
791
792
793
794
795
796
797
798
799
800
801
802
803
804
805
806
807
808
809
8010
8011
8012
8013
8014
8015
8016
8017
8018
8019
8020
8021
8022
8023
8024
8025
8026
8027
8028
8029
8030
8031
8032
8033
8034
8035
8036
8037
8038
8039
8040
8041
8042
8043
8044
8045
8046
8047
8048
8049
8050
8051
8052
8053
8054
8055
8056
8057
8058
8059
8060
8061
8062
8063
8064
8065
8066
8067
8068
8069
8070
8071
8072
8073
8074
8075
8076
8077
8078
8079
8080
8081
8082
8083
8084
8085
8086
8087
8088
8089
8090
8091
8092
8093
8094
8095
8096
8097
8098
8099
80100
80101
80102
80103
80104
80105
80106
80107
80108
80109
80110
80111
80112
80113
80114
80115
80116
80117
80118
80119
80120
80121
80122
80123
80124
80125
80126
80127
80128
80129
80130
80131
80132
80133
80134
80135
80136
80137
80138
80139
80140
80141
80142
80143
80144
80145
80146
80147
80148
80149
80150
80151
80152
80153
80154
80155
80156
80157
80158
80159
80160
80161
80162
80163
80164
80165
80166
80167
80168
80169
80170
80171
80172
80173
80174
80175
80176
80177
80178
80179
80180
80181
80182
80183
80184
80185
80186
80187
80188
80189
80190
80191
80192
80193
80194
80195
80196
80197
80198
80199
80200
80201
80202
80203
80204
80205
80206
80207
80208
80209
80210
80211
80212
80213
80214
80215
80216
80217
80218
80219
80220
80221
80222
80223
80224
80225
80226
80227
80228
80229
80230
80231
80232
80233
80234
80235
80236
80237
80238
80239
80240
80241
80242
80243
80244
80245
80246
80247
80248
80249
80250
80251
80252
80253
80254
80255
80256
80257
80258
80259
80260
80261
80262
80263
80264
80265
80266
80267
80268
80269
80270
80271
80272
80273
80274
80275
80276
80277
80278
80279
80280
80281
80282
80283
80284
80285
80286
80287
80288
80289
80290
80291
80292
80293
80294
80295
80296
80297
80298
80299
80200
80201
80202
80203
80204
80205
80206
80207
80208
80209
80210
80211
80212
80213
80214
80215
80216
80217
80218
80219
80220
80221
80222
80223
80224
80225
80226
80227
80228
80229
80230
80231
80232
80233
80234
80235
80236
80237
80238
80239
80240
80241
80242
80243
80244
80245
80246
80247
80248
80249
80250
80251
80252
80253
80254
80255
80256
80257
80258
80259
80260
80261
80262
80263
80264
80265
80266
80267
80268
80269
80270
80271
80272
80273
80274
80275
80276
80277
80278
80279
80280
80281
80282
80283
80284
80285
80286
80287
80288
80289
80290
80291
80292
80293
80294
80295
80296
80297
80298
80299
80200
80201
80202
80203
80204
80205
80206
80207
80208
80209
80210
80211
80212
80213
80214
80215
80216
80217
80218
80219
80220
80221
80222
80223
80224
80225
80226
80227
80228
80229
80230
80231
80232
80233
80234
80235
80236
80237
80238
80239
80240
80241
80242
80243
80244
80245
80246
80247
80248
80249
80250
80251
80252
80253
80254
80255
80256
80257
80258
80259
80260
80261
80262
80263
80264
80265
80266
80267
80268
80269
80270
80271
80272
80273
80274
80275
80276
80277
80278
80279
80280
80281
80282
80283
80284
80285
80286
80287
80288
80289
80290
80291
80292
80293
80294
80295
80296
80297
80298
80299
80200
80201
80202
80203
80204
80205
80206
80207
80208
80209
80210
80211
80212
80213
80214
80215
80216
80217
80218
80219
80220
80221
80222
80223
80224
80225
80226
80227
80228
80229
80230
80231
80232
80233
80234
80235
80236
80237
80238
80239
80240
80241
80242
80243
80244
80245
80246
80247
80248
80249
80250
80251
80252
80253
80254
80255
80256
80257
80258
80259
80260
80261
80262
80263
80264
80265
80266
80267
80268
80269
80270
80271
80272
80273
80274
80275
80276
80277
80278
80279
80280
80281
80282
80283
80284
80285
80286
80287
80288
80289
80290
80291
80292
80293
80294
80295
80296
80297
80298
80299
80200
80201
80202
80203
80204
80205
80206
80207
80208
80209
80210
80211
80212
80213
80214
80215
80216
80217
80218
80219
80220
80221
80222
80223
80224
80225
80226
80227
80228
80229
80230
80231
80232
80233
80234
80235
80236
80237
80238
80239
80240
80241
80242
80243
80244
80245
80246
80247
80248
80249
80250
80251
80252
80253
80254
80255
80256
80257
80258
80259
80260
80261
80262
80263
80264
80265
80266
80267
80268
80269
80270
80271
80272
80273
80274
80275
80276
80277
80278
80279
80280
80281
80282
80283
80284
80285
80286
80287
80288
80289
80290
80291
80292
80293
80294
80295
80296
80297
80298
80299
80200
80201
80202
80203
80204
80205
80206
80207
80208
80209
80210
80211
80212
80213
80214
80215
80216
80217
80218
80219
80220
80221
80222
80223
80224
80225
80226
80227
80228
80229
80230
80231
80232
80233
80234
80235
80236
80237
80238
80239
80240
80241
80242
80243
80244
80245
80246
80247
80248
80249
80250
80251
80252
80253
80254
80255
80256
80257
80258
80259
80260
80261
80262
80263
80264
80265
80266
80267
80268
80269
80270
80271
80272
80273
80274
80275
80276
80277
80278
80279
80280
80281
80282
80283
80284
80285
80286
80287
80288
80289
80290
80291
80292
80293
80294
80295
80296
80297
80298
80299
80200
80201
80202
80203
80204
80205
80206
80207
80208
80209
80210
80211
80212
80213
80214
80215
80216
80217
80218
80219
80220
80221
80222
80223
80224
80225
80226
80227
80228
80229
80230
80231
80232
80233
80234
80235
80236
80237
80238
80239
80240
80241
80242
80243
80244
80245
80246
80247
80248
80249
80250
80251
80252
80253
80254
80255
80256
80257
80258
80259
80260
80261
80262
80263
80264
80265
80266
80267
80268
80269
80270
80271
80272
80273
80274
80275
80276
80277
80278
80279
80280
80281
80282
80283
80284
80285
80286
80287
80288
80289
80290
80291
80292
80293
80294
80295
80296
80297
80298
80299
80200
80201
80202
80203
80204
80205
80206
80207
80208
80209
80210
80211
80212
80213
80214
80215
80216
80217
80218
80219
80220
80221
80222
80223
80224
80225
80226
80227
80228
80229
80230
80231
80232
80233
80234
80235
80236
80237
80238
80239
80240
80241
802

1 This is to certify that:

2 (a) I am being given access to Confidential Information pursuant to the
3 Stipulated Protective Order that was entered into the main bankruptcy case for
4 Litigation Practice Group, but which is binding and controlling as set forth by the
5 Court's Order on any and all contested matters and any and all litigation commenced
6 by Trustee;

7 (b) I have read the Stipulated Protective Order; and

8 (c) I agree to be bound by the terms and conditions thereof, including,
9 without limitation, to the obligations regarding the use, non-disclosure and return of
10 such Confidential Information. I further agree that in addition to being contractually
11 bound by the Stipulated Protective Order, I am subject to the jurisdiction of the above
12 reference Court for any violation thereof.

13

14 Date: _____

15

16 _____
17 Signature

18

19

20 _____
21 Printed Name

22

23

24

25

26

27

28

Exhibit 2

Date	Type	Amount
5/17/2019	Primerica Life Insurance - Personal Life Insurance	\$190.48
5/17/2019	Primerica Life Insurance - Personal Life Insurance	\$163.40
7/17/2019	Primerica Life Insurance - Personal Life Insurance	\$5,975.00
7/17/2019	Primerica Life Insurance - Personal Life Insurance	\$4,800.00
9/9/2019	Primerica Life Insurance - Personal Life Insurance	\$4,563.00
4/20/2020	The Print House - Purchasing Art	\$2,680.28
4/27/2020	Creative Atmospheres -Construction on Homes	\$1,250.00
5/1/2020	The Print House - Purchasing Art	\$2,680.28
5/29/2020	Mitra Barzegar - Asante ex wife	\$13,000.00
8/7/2020	The Print House - Purchasing Art	\$2,680.28
8/11/2020	The Print House - Purchasing Art	\$2,680.28
8/19/2020	Creative Atmospheres -Construction on Homes	\$4,300.00
8/31/2020	Unknown "Donation" on American Express	\$20,000.00
8/31/2020	Unknown "Donation" on American Express	\$250.00
9/9/2020	The Print House - Purchasing Art	\$2,680.28
9/22/2020	The Print House - Purchasing Art	\$2,995.45
9/25/2020	Creative Atmospheres -Construction on Homes	\$15,000.00
10/5/2020	Primerica Life Insurance - Personal Life Insurance	\$6,072.00
10/5/2020	Primerica Life Insurance - Personal Life Insurance	\$8,923.00
10/30/2020	Creative Atmospheres -Construction on Homes	\$62,100.00
11/5/2020	The Print House - Purchasing Art	\$2,995.45
12/11/2020	Sheepdog Fitness LLC - Mental Health Clinic	\$10,000.00
12/11/2020	Laili Corp Inc - Unknown Consulting Expense	\$7,500.00
2/22/2021	Creative Atmospheres -Construction on Homes	\$20,000.00
2/22/2021	Creative Atmospheres -Construction on Homes	\$20,000.00
2/22/2021	Creative Atmospheres -Construction on Homes	\$12,600.00
3/1/2021	Creative Atmospheres -Construction on Homes	\$38,572.13
3/8/2021	Creative Atmospheres -Construction on Homes	\$38,975.49
3/23/2021	Creative Atmospheres -Construction on Homes	\$40,000.00
4/15/2021	Creative Atmospheres -Construction on Homes	\$50,000.00
5/13/2021	Webber Films LLC - Unknown Marketing Expense	\$50,000.00
	Total	\$453,626.80

Exhibit 3

Date	Type	Amount
5/15/2020	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 5,000.00
5/20/2020	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 5,000.00
5/20/2020	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 10,000.00
5/28/2020	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 10,000.00
5/28/2020	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 5,000.00
6/1/2020	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 2,000.00
6/1/2020	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 5,000.00
6/4/2020	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 5,000.00
6/10/2020	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 5,000.00
6/17/2020	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 6,500.00
6/24/2020	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 8,116.00
7/9/2020	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 31,060.00
8/3/2020	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 16,872.00
8/3/2020	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 1,000.00
8/5/2020	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 1,000.00
8/5/2020	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 1,000.00
8/13/2020	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 5,500.00
8/13/2020	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 10,800.00
8/19/2020	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 8,528.00
8/19/2020	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 646.00
8/26/2020	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 7,455.00
9/3/2020	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 4,250.00
9/3/2020	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 1,725.00
9/3/2020	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 1,365.00
9/9/2020	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 1,600.00
9/17/2020	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 400.00
9/23/2020	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 8,340.00
9/29/2020	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 1,325.00
9/29/2020	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 2,599.00
9/29/2020	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 30,000.00
10/22/2020	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 2,578.00
11/4/2020	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 5,748.00
11/11/2020	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 5,080.00
11/17/2020	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 7,100.00
11/19/2020	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 4,174.00
11/24/2020	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 12,552.00
12/3/2020	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 12,500.00
12/3/2020	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 1,859.00
Date	Type	Amount
12/9/2020	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 15,799.00
12/11/2020	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 3,200.00
12/14/2020	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 4,987.98
12/14/2020	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 3,230.00
12/17/2020	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 9,850.00
12/23/2020	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 1,940.00
1/7/2021	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 903.05
1/11/2021	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 903.05
1/13/2021	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 8,938.98
1/14/2021	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 2,605.68
1/20/2021	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 875.27
1/20/2021	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 3,425.00
1/27/2021	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 12,879.53
1/27/2021	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 2,251.28
1/27/2021	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 2,610.19
1/28/2021	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 1,255.00
1/28/2021	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 5,789.35
2/4/2021	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 2,684.92
2/5/2021	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 2,670.25
2/5/2021	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 1,230.55
2/10/2021	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 2,172.25
2/11/2021	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 2,563.51
2/11/2021	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 1,994.25
2/11/2021	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 5,067.20
2/18/2021	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 789.39
2/25/2021	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 3,388.46
3/3/2021	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 1,697.95
3/10/2021	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 2,120.00
3/15/2021	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 3,090.48
3/15/2021	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 1,139.89
3/15/2021	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 2,120.00
3/15/2021	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 3,468.39
3/19/2021	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 2,211.99
3/24/2021	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 2,212.09
3/24/2021	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 4,338.74
3/25/2021	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 2,233.66
3/26/2021	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 2,069.12
4/1/2021	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 1,327.40
Date	Type	Amount
4/2/2021	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 4,597.18
4/5/2021	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 3,583.08
4/7/2021	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 1,202.38
4/7/2021	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 1,944.85
4/9/2021	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 2,125.68
4/15/2021	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 2,147.61
4/15/2021	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 3,567.54
4/15/2021	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 4,210.78
4/22/2021	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 2,704.07
4/22/2021	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 1,403.10
4/27/2021	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 4,862.14
4/27/2021	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 1,592.41
4/29/2021	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 6,750.00
4/30/2021	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 945.09
5/6/2021	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 2,057.98
5/6/2021	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 4,980.79
5/6/2021	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 2,225.00
5/12/2021	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 6,411.72
5/12/2021	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 2,316.00
5/13/2021	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 2,233.66
5/27/2021	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 1,992.00
5/27/2021	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 1,899.27
6/3/2021	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 4,327.16
6/3/2021	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 1,205.92
6/7/2021	Vasco Assets Inc - Unknown Consulting/Marketing Expense	\$ 13,131.18
	Total	\$ 471,460.61

Exhibit 4

Date	Type	Amount
6/28/2019	Arsha Corp - Personal Loan/Outside Service	\$15,000.00
6/4/2020	Arsha Corp - Personal Loan/Outside Service	\$160,000.00
9/17/2020	Arsha Corp - Personal Loan/Outside Service	\$15,000.00
9/17/2020	Arsha Corp - Personal Loan/Outside Service	\$25,000.00
9/24/2020	Arsha Corp - Personal Loan/Outside Service	\$16,000.00
10/1/2020	Arsha Corp - Personal Loan/Outside Service	\$22,500.00
12/31/2020	Arsha Corp - Personal Loan/Outside Service	\$160,000.00
4/7/2021	Arsha Corp - Personal Loan/Outside Service	\$2,076.77
5/6/2021	Arsha Corp - Personal Loan/Outside Service	\$36,610.84
	Total	\$452,187.61

Exhibit 5

Bank Name	Account Name	Account Number	Transaction Date	Debit/Charge	Memo
UnionBank	The Litigation Practice Group PC	X4858	7/28/2021	82,850.64	WIRE TRANS TRN 0728027720 072821 UBOC930 UB1 32486N Sent To: ABR ENTERPRISES LLC Beneficiary:
UnionBank	The Litigation Practice Group PC	X4858	8/11/2021	4,186.57	WIRE TRANS TRN 0811021526 081121 UBOC UB059955N Sent To: ABR ENTERPRISES LLC Beneficiary:
UnionBank	The Litigation Practice Group PC	X4858	8/20/2021	61,354.47	WIRE TRANS TRN 0820019221 082021 UBOC UB012045N Sent To: ABR ENTERPRISES LLC Beneficiary:
UnionBank	The Litigation Practice Group PC	X4858	8/20/2021	62.88	WIRE TRANS TRN 0820021974 082021 UBOC UB009993N Sent To: ABR ENTERPRISES LLC Beneficiary:
Chase	The Litigation Practice Group PC	X3158	8/27/2021	72,149.51	Wire Transfer Via: Union LA Aka Uboc/i 22000496 NC: Abr Enterprise LLC Las Vegas NV
			Total	220,604.07	

Exhibit 6



JPMorgan Chase Bank, N.A.
P O Box 182051
Columbus, OH 43218 - 2051

October 30, 2021 through November 30, 2021

Account Number: **33097**

CUSTOMER SERVICE INFORMATION

Web site: www.Chase.com
Service Center: **1-877-425-8100**
Deaf and Hard of Hearing: **1-800-242-7383**
Para Espanol: **1-888-622-4273**
International Calls: **1-713-262-1679**

00329845 DRE 703 219 33521 NNNNNNNNNNNN 1 000000000 64 0000
VALIDATION PARTNERS LLC
1300 SAWGRASS CORPORATE PKWY STE 110
SUNRISE FL 33323



003298450301000000023

Good news — we've made two changes to help simplify how overdraft fees work.

We'll no longer charge:

1. Returned Item Fees when items are declined or returned unpaid because you don't have a sufficient balance in your account.
2. Insufficient Funds Fees when your account balance is overdrawn by \$50 or less at the end of the business day. If you overdraw your account by more than that, we'll charge a \$34 Insufficient Funds Fee per item, beginning with the first item that overdraws your account balance by more than \$50 (maximum of 6 fees per business day, up to \$204).

We pay overdrafts at our discretion so we don't guarantee that we will always pay any type of transaction. As a reminder, overdraft services are only available for qualifying checking accounts. For additional information, please visit chase.com/overdraft.

CHECKING SUMMARY

Chase Platinum Business Checking

	INSTANCES	AMOUNT
Beginning Balance		\$28,400.00
Deposits and Additions	7	15,950,000.00
Electronic Withdrawals	30	-9,257,891.00
Fees	1	-345.00
Ending Balance	38	\$6,720,164.00

Your Chase Platinum Business Checking account provides:

- No transaction fees for unlimited electronic deposits (including ACH, ATM, wire, Chase Quick Deposit)
- 500 debits and non-electronic deposits (those made via check or cash in branches) per statement cycle
- \$25,000 in cash deposits per statement cycle
- Unlimited return deposited items with no fee

There are additional fee waivers and benefits associated with your account – please refer to your Deposit Account Agreement for more information.



October 30, 2021 through November 30, 2021

Account Number: **33097**

ELECTRONIC WITHDRAWALS

(continued)



1329845030200000063

Ref: Account Purchase/Time/17:00 |mad: 1123B1Qgc08C028881 Trn: 3476071327Es

11/23	11/23 Domestic Wire Transfer Via: Union LA Aka Uboc/122000496 A/C: Abr Enterprises LLC Ref: Account Purchase/Time/17:34 mad: 1123B1Qgc08C028881 Trn: 3476071327Es	1,500,000.00
11/23	11/23 Domestic Wire Transfer Via: Union LA Aka Uboc/122000496 A/C: Abr Enterprises LLC Ref: Account Purchase/Time/18:43 mad: 1123B1Qgc08C030121 Trn: 3479441327Es	1,000,000.00

DAILY ENDING BALANCE

DATE	AMOUNT	DATE	AMOUNT	DATE	AMOUNT
11/01	\$28,055.00	11/16	1,552,694.00	11/23	860,504.00
11/04	2,028,055.00	11/17	558,294.00	11/24	762,164.00
11/05	83,105.00	11/18	545,694.00	11/29	720,164.00
11/10	883,105.00	11/19	5,734,348.00	11/30	6,720,164.00
11/12	1,106,194.00	11/22	5,684,348.00		

Exhibit 7

Bank Name	Account Name	Account Number	Transaction Date	Check Number	Debit/Charge
Chase	The Litigation Practice Group PC	XX3158	10/17/2022	12109	95,000.00
Chase	The Litigation Practice Group PC	XX3158	11/23/2022	12190	100,375.00
Chase	The Litigation Practice Group PC	XX3158	12/12/2022	12290	100,206.73
Bank of America	Litigation Practice Group PC	X6457	12/28/2022	1005	100,000.00
				Total	395,581.73

ADVERSARY PROCEEDING COVER SHEET

B1040 (FORM 1040) (12/24)

ADVERSARY PROCEEDING COVER SHEET (Instructions on Reverse)		ADVERSARY PROCEEDING NUMBER (Court Use Only)
PLAINTIFFS Richard A. Marshack, Trustee of the LPG Liquidation Trust		
ATTORNEYS (Firm Name, Address, and Telephone No.) Christopher Celentino (131688) Christopher B. Ghio (259094) Yosina M. Lissebeck (201654) Dinsmore & Shohl LLP 655 West Broadway, Ste 800, San Diego, CA 92101 Tele: (619) 400-0500		
ATTORNEYS (If Known)		
PARTY (Check One Box Only) <input type="checkbox"/> Debtor <input type="checkbox"/> U.S. Trustee/Bankruptcy Admin <input type="checkbox"/> Creditor <input type="checkbox"/> Other <input checked="" type="checkbox"/> Trustee		
CAUSE OF ACTION (WRITE A BRIEF STATEMENT OF CAUSE OF ACTION, INCLUDING ALL U.S. STATUTES INVOLVED) (1) Avoidance, Recovery, and Preservation of Fraudulent Transfer(s) Pursuant to 11 U.S.C. §§ 548(a)(1), 550, and 551; (2) Avoidance, Recovery, and Preservation of Fraudulent Transfer(s) Pursuant to 11 U.S.C. §§ 548(a)(2), 550, and 551; (3) Avoidance, Preservation, and Recovery of Actual Fraudulent Transfer(s) 11 U.S.C. §§ 544, 550, 551; Cal. Civ. Code §§ 3439.04(a)(1) and 3439.07; and (4) Avoidance, Preservation, and Recovery of Constructive Fraudulent Transfer(s) Pursuant to 11 U.S.C. §§ 544, 550, 551; Cal. Civ. Code §§ 3439.04(a)(2), 3439.05, and 3439.7		
NATURE OF SUIT		
(Number up to five (5) boxes starting with lead cause of action as 1, first alternative cause as 2, second alternative cause as 3, etc.)		
FRBP 7001(a) – Recovery of Money/Property <input type="checkbox"/> 11-Recovery of money/property - §542 turnover of property <input type="checkbox"/> 12-Recovery of money/property - §547 preference <input checked="" type="checkbox"/> 13-Recovery of money/property - §548 fraudulent transfer <input checked="" type="checkbox"/> 14-Recovery of money/property - other		
FRBP 7001(b) – Validity, Priority or Extent of Lien <input type="checkbox"/> 21-Validity, priority or extent of lien or other interest in property		
FRBP 7001(c) – Approval of Sale of Property <input type="checkbox"/> 31-Approval of sale of property of estate and of a co-owner - §363(h)		
FRBP 7001(d) – Objection/Revocation of Discharge <input type="checkbox"/> 41-Objection / revocation of discharge - §727(c),(d),(e)		
FRBP 7001(e) – Revocation of Confirmation <input type="checkbox"/> 51-Revocation of confirmation		
FRBP 7001(f) – Dischargeability <input type="checkbox"/> 66-Dischargeability - §523(a)(1),(14),(14A) priority tax claims <input type="checkbox"/> 62-Dischargeability - §523(a)(2), false pretenses, false representation, actual fraud <input type="checkbox"/> 67-Dischargeability - §523(a)(4), fraud as fiduciary, embezzlement, larceny (continued next column)		
FRBP 7001(f) – Dischargeability (continued) <input type="checkbox"/> 61-Dischargeability - §523(a)(5), domestic support <input type="checkbox"/> 68-Dischargeability - §523(a)(6), willful and malicious injury <input type="checkbox"/> 63-Dischargeability - §523(a)(8), student loan <input type="checkbox"/> 64-Dischargeability - §523(a)(15), divorce or separation obligation (other than domestic support) <input type="checkbox"/> 65-Dischargeability - other		
FRBP 7001(g) – Injunctive Relief <input type="checkbox"/> 71-Injunctive relief- imposition of stay <input type="checkbox"/> 72-Injunctive relief - other		
FRBP 7001(h) Subordination of Claim or Interest <input type="checkbox"/> 81-Subordination of claim or interest		
FRBP 7001(i) Declaratory Judgment <input type="checkbox"/> 91-Declaratory judgment		
FRBP 7001(j) Determination of Removed Action <input type="checkbox"/> 01-Determination of removed claim or cause		
Other <input type="checkbox"/> SS-SIPA Case - 15 U.S.C. §§78aaa <i>et.seq.</i> <input type="checkbox"/> 02-Other (e.g. other actions that would have been brought in state court if unrelated to bankruptcy case)		
<input checked="" type="checkbox"/> Check if this case involves a substantive issue of state law		<input type="checkbox"/> Check if this is asserted to be a class action under FRCP 23
<input type="checkbox"/> Check if a jury trial is demanded in complaint		Demand \$ 10,000,000+
Other Relief Sought		

B1040 (FORM 1040) (12/24)

BANKRUPTCY CASE IN WHICH THIS ADVERSARY PROCEEDING ARISES		
NAME OF DEBTOR The Litigation Practice Group P.C.	BANKRUPTCY CASE NO. 8:23-bk-10571-SC	
DISTRICT IN WHICH CASE IS PENDING Central District of California	DIVISION OFFICE Santa Ana	NAME OF JUDGE Scott C. Clarkson
RELATED ADVERSARY PROCEEDING (IF ANY)		
PLAINTIFF Richard A. Marshack, Chapter 11 Trustee	DEFENDANT Arash Asante Bayrooti, a California resident	ADVERSARY PROCEEDING NO. 8:24-ap-01068-SC
DISTRICT IN WHICH ADVERSARY IS PENDING Central District of California	DIVISION OFFICE Santa Ana	NAME OF JUDGE Scott C. Clarkson
SIGNATURE OF ATTORNEY (OR PLAINTIFF) /s/ Tyler Powell		
DATE April 2, 2025	PRINT NAME OF ATTORNEY (OR PLAINTIFF) Christopher Celentino Christopher B. Ghio Yosina M. Lissebeck Tyler Powell	

INSTRUCTIONS

The filing of a bankruptcy case creates an “estate” under the jurisdiction of the bankruptcy court which consists of all of the property of the debtor, wherever that property is located. Because the bankruptcy estate is so extensive and the jurisdiction of the court so broad, there may be lawsuits over the property or property rights of the estate. There also may be lawsuits concerning the debtor’s discharge. If such a lawsuit is filed in a bankruptcy court, it is called an adversary proceeding.

A party filing an adversary proceeding must also complete and file Form 1040, the Adversary Proceeding Cover Sheet, unless the party files the adversary proceeding electronically through the court’s Case Management/Electronic Case Filing system (CM/ECF). (CM/ECF captures the information on Form 1040 as part of the filing process.) When completed, the cover sheet summarizes basic information on the adversary proceeding. The clerk of court needs the information to process the adversary proceeding and prepare required statistical reports on court activity.

The cover sheet and the information contained on it do not replace or supplement the filing and service of pleadings or other papers as required by law, the Bankruptcy Rules, or the local rules of court. The cover sheet, which is largely self-explanatory, must be completed by the plaintiff’s attorney (or by the plaintiff if the plaintiff is not represented by an attorney). A separate cover sheet must be submitted to the clerk for each complaint filed.

Plaintiffs and Defendants. Give the names of the plaintiffs and defendants exactly as they appear on the complaint.

Attorneys. Give the names and addresses of the attorneys, if known.

Party. Check the most appropriate box in the first column for the plaintiffs and the second column for the defendants.

Demand. Enter the dollar amount being demanded in the complaint.

Signature. This cover sheet must be signed by the attorney of record in the box on the second page of the form. If the plaintiff is represented by a law firm, a member of the firm must sign. If the plaintiff is pro se, that is, not represented by an attorney, the plaintiff must sign.